

Service Date: October 1, 1980

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER of the APPLICATION	)	
of the BUTTE WATER COMPANY for	)	Utility Division
authority to increase its rates	)	Docket No. 6801
and charges for service to its	)	Order No. 4699
BUTTE, MONTANA, customers.	)	

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INTERIM RATE ORDER

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APPEARANCES

FOR THE APPLICANT:

James A. Robischon, Attorney at Law, Poore, Roth, Robischon and Robinson, P.C., 1341 Harrison Avenue, Butte, Montana 59701

Dennis R Lopach, Attorney at Law, Scribner, Huss and Hjort, P O. Box 514, Helena, Montana, 59601

FOR THE INTERVENOR:

James C. Paine, Montana Consumer Counsel, 34 West Sixth Avenue, Helena, Montana 59601

FOR THE COMMISSION STAFF:

Eileen E. Shore, Chief Legal Counsel, 1227 Eleventh Avenue, Helena, Montana 59601.

BEFORE:

James R. Shea, Commissioner and Hearing Examiner  
Clyde Jarvis, Commissioner  
Thomas J. Schneider, Commissioner

### FINDINGS OF FACT

1. On March 5, 1980, the Butte Water Co. (Applicant) filed an application with this Commission for authority to increase rates and charges for water service in its Butte, Montana, service area. The application sought a permanent annual revenue increase of \$1,144,484, or approximately 66%.

2. Applicant on April 3, 1980, sought an interim revenue increase of \$400,569.40, which was denied on April 14, 1980.

3. On July 18, 1980, Applicant sought an interim revenue increase of \$532,070, the amount of Applicant's annual revenue deficiency as determined by the expert witnesses of the Montana Consumer Counsel in their pre-filed testimony. This request was denied by the Commission on August 11, 1980.

4. A public hearing was held in Butte, Montana, on September 3 and 4, 1980, to consider the merits of Applicant's proposed permanent rate increase.

5. On September 12, 1980, Applicant renewed its request for an interim rate increase of \$532,070, and requested that the increase be spread to services other than sprinkling since seasonal sprinkling bills had been rendered months earlier.

6. The Montana Consumer Counsel on September 22, 1980, filed revised exhibits in this Docket which would support a revenue increase of \$629,736. An increase in this amount, therefore, would be uncontested by any party. The proposed

interim increase is less than that amount.

7. Applicant alleges that an interim revenue increase is needed to offset its current expenses.

8. The Commission finds that additional annual revenues in the amount of \$532,070 are reasonable as a level for interim rate relief to Applicant.

9. The annual revenue increase shall be spread to all services provided by Applicant, other than sprinkling, on the basis of a uniform percentage increase.

10. Because of the problems experienced with sand in the system, as reflected in the evidence of the Butte hearing, those customers having sand traps installed as of September 22, 1980, shall receive no rate increase as a result of this order.

#### CONCLUSIONS OF LAW

1. The Butte Water Co. is a public utility furnishing water service to customers in the Butte area. As such it is subject to the supervision, regulation and control of this Commission pursuant to Section 69-3-102, MCA.

2. Section 69-3-304, MCA, provides in part, "The Commission may in its discretion, temporarily approve increases pending a hearing or final decision".

3. The Commission concludes that the grant of an interim rate

increase in the manner set forth herein is just, reasonable and within the discretion granted by Section 69-3-304 MCA.

4. If the Commission's final decision in this matter is to disapprove in whole or in part the increase granted herein, the Commission will order a rebate thereof to all consumers under Section 69-3-304, MCA.

#### ORDER

THEREFORE, THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. The Butte Water Co. is hereby granted authority to implement on an interim basis increased rates designed to generate an additional \$532,070 in revenue on an annual basis for its water service, which, however, shall be reduced in accordance with the limitation in Finding of Fact No. 10.

2. The Butte Water Co. is to file revised tariff schedules spreading the increased revenues as a uniform percentage increase to all services except sprinkling .

3. The interim relief granted in this Order is to be effective for service rendered on and after October 1, 1980.

4. The increase granted herein is subject to rebate should the Commission grant a lesser amount in its final order in this docket.

DONE IN OPEN SESSIOH this 29th day of September, 1980,

By a vote of 3-0.

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CLYDE JARVIS, Commissioner

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THOMAS J. SCHNEIDER, Commissioner

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JAMES R. SHEA, Commissioner

ATTEST:

Madeline L. Cottrill

( SEAL)

NOTE:       An order of the Commission approving or denying a temporary rate increase is an intermediate agency action subject to judicial review under the Montana Administrative Procedures Act.